

Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	54.00	0.00	0.00	54.00	0.00	0.00	54.00	54.00
Personal Services	2,188,515	125,426	71,243	2,385,184	123,105	185,417	2,497,037	4,882,221
Operating Expenses	2,765,704	907,435	0	3,673,139	593,934	0	3,359,638	7,032,777
Transfers	0	0	0	0	0	0	0	0
Debt Service	32,631	0	0	32,631	0	0	32,631	65,262
Total Costs	\$4,986,850	\$1,032,861	\$71,243	\$6,090,954	\$717,039	\$185,417	\$5,889,306	\$11,980,260
General Fund	1,913,526	331,896	28,983	2,274,405	193,074	75,013	2,181,613	4,456,018
State/Other Special	281,425	74,787	3,915	360,127	68,369	10,227	360,021	720,148
Federal Special	2,791,899	626,178	38,345	3,456,422	455,596	100,177	3,347,672	6,804,094
Total Funds	\$4,986,850	\$1,032,861	\$71,243	\$6,090,954	\$717,039	\$185,417	\$5,889,306	\$11,980,260

Program Description

Fiscal Services Division (FSD) provides financial and accounting services including: development and implementation of accounting policies and procedures, cash management, preparation and filing of federal financial reports, payroll and accounts payable services, and purchasing of supplies and equipment for the department. These services are provided by 54.00 FTE.

Statutory authority is in Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92 and Subpart C92.2.

Program Highlights

Fiscal Services Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ 2007 biennium budget is 15 percent greater than the 2005 biennium ◆ General fund support increases 9 percent when the 2007 and 2005 biennia are compared ◆ The budget increase is primarily due to statewide present law adjustments, the most significant being an increase of \$1.4 million in costs related to the Statewide Budgeting Accounting and Human Resources System (SABHRS)

Program Narrative

The Fiscal Services Division provides a number of services to the programs and employees of the department including accounting, payroll, accounts payable and purchasing services. Additionally, this division is responsible for agency cash management functions for all funding streams, establishing and implementing accounting policies and procedures and preparation and filing of federal financial reports.

The budget for the division increased about \$2 million above the FY 2004 base, which is the net impact of three adjustments made to the division budget. The division budget was increased due to statewide present law adjustments and funding for the pay plan adopted by the legislature and decreased due to a statewide reduction in staffing. The bulk of the budget increase is attributable to an increase of \$1.4 million (51 percent) in fixed costs associated with the Statewide Budgeting Accounting and Human Resources System (SABHRS). SABHRS costs are paid by the Department of Administration and recouped by that department from the agencies utilizing the system.

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 1,913,526	38.4%	\$ 2,274,405	37.3%	\$ 2,181,613	37.0%
	01100 General Fund	1,913,526	38.4%	2,274,405	37.3%	2,181,613	37.0%
02000	Total State Special Funds	281,425	5.6%	360,127	5.9%	360,021	6.1%
	02382 6901-02 Indrct Actvty Prog 06	281,425	5.6%	360,127	5.9%	360,021	6.1%
03000	Total Federal Special Funds	2,791,899	56.0%	3,456,422	56.7%	3,347,672	56.8%
	03591 6901-03 Indrct Actvty Prog 06	2,791,899	56.0%	3,456,422	56.7%	3,347,672	56.8%
Grand Total		<u>\$ 4,986,850</u>	<u>100.0%</u>	<u>\$ 6,090,954</u>	<u>100.0%</u>	<u>\$ 5,889,306</u>	<u>100.0%</u>

The division is funded with general fund, state special revenue, and federal funds based upon a complex federally approved cost allocation plan. Approximately 37 percent of the division’s budget is supported by the general fund with state special revenue (6 percent) and federal funds (57 percent) providing the remainder.

Biennial Comparison

The 2007 biennium budget is \$1.6 million greater than the 2005 biennium budget with the primary increase occurring in operating costs (\$1.2 million or 20 percent) (Figure 21). Operating costs change due to adjustments made in fixed costs including a significant increase in costs related to SABHRS, the statewide accounting system. Personal service costs increase about \$0.5 million due to statewide present law adjustments and funding provided by the legislature to support an increase in the pay plan for state employees.

	2005		2007		Change	Percent
	Biennium	Biennium	Biennium	Biennium		
FTE		50.0		54.0		4.0
Personal Services	\$	4,421,486	\$	4,882,221	\$ 460,735	10.4%
Operating Costs		5,880,816		7,032,777	1,151,961	19.6%
Debt Service		77,216		65,262	(11,954)	-15.5%
Total	\$	<u>10,379,518</u>	\$	<u>11,980,260</u>	<u>\$ 1,600,742</u>	<u>15.4%</u>
General Fund	\$	4,074,967	\$	4,456,018	\$ 381,051	9.4%
State Special Rev.		602,118		720,148	118,030	19.6%
Federal Funds		5,702,433		6,804,094	1,101,661	19.3%
Total	\$	<u>10,379,518</u>	\$	<u>11,980,260</u>	<u>\$ 1,600,742</u>	<u>15.4%</u>

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					243,189					240,917
Vacancy Savings					(97,262)					(97,174)
Inflation/Deflation					(54,672)					(54,671)
Fixed Costs					962,107					648,605
Total Statewide Present Law Adjustments					\$1,053,362					\$737,677
DP 9999 - Statewide FTE Reduction										
	0.00	(20,501)	0	0	(20,501)	0.00	(20,638)	0	0	(20,638)
Total Other Present Law Adjustments	0.00	(\$20,501)	\$0	\$0	(\$20,501)	0.00	(\$20,638)	\$0	\$0	(\$20,638)
Grand Total All Present Law Adjustments					\$1,032,861					\$717,039

DP 9999 - Statewide FTE Reduction - This decision package reduces general fund support for personal services by \$41,139 for the biennium, but does not reduce FTE authorized by the Office of Budget and Program Planning, to reflect the across-the-board personal services funding reduction that was made by the legislature for the 2005 biennium.

New Proposals

New Proposals	Program	-----Fiscal 2006-----					-----Fiscal 2007-----				
		FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447											
	06	0.00	28,983	3,915	38,345	71,243	0.00	75,013	10,227	100,177	185,417
Total		0.00	\$28,983	\$3,915	\$38,345	\$71,243	0.00	\$75,013	\$10,227	\$100,177	\$185,417

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.